

ISSUE

Is a charitable contribution deduction under section 170 of the Internal Revenue Code allowable for amounts paid to an organization exempt from federal income tax under section 501(c)(3) and described in section 170(c)(2), but which are earmarked for use in influencing specific legislation?

FACTS

X, a non-profit corporation, is exempt from federal income tax under section 501(a) of the Code as an organization described in section 501(c)(3). Section 501(c)(3) provides such exemption for entities organized and operated for educational and other charitable purposes. X is also an organization described in section 170(c)(2).

X became concerned with proposed legislation under consideration in the Congress of the United States. In order to obtain funds to enable it to influence specific legislation, X mailed to its members and the general public literature that described the pending legislation and requested contributions to be used to lobby members of the Congress to help defeat the specific proposed legislation.

HOLDING

No deduction is allowed under section 170 of the Code for contributions to X earmarked for use in, or in connection with, attempting to influence the legislation. See Rev. Rul. 79-81, 1979-1 C.B. 107; Rev. Rul. 68-484, 1968-2 C.B. 105; Rev. Rul. 62-113, 1962-2 C.B. 10; and Rev. Rul. 56-329, 1956-2 C.B. 125.